

**Indiana Arts Commission
Cultural Trust Administrative Board
IAC Conference Room
Indianapolis, IN
February 8, 2005
2:00 p.m.**

Joan David, Chairperson

Commissioners or Committee Members Present: Joan David, Dick Stifel (by phone), Mike Quinn, Claude Johnson, L. Gene Tanner, Mike Frick (representing the State Treasurer's Office)

Commissioners or Committee Members Not Present: Cliff Lambert, Jim Bodenmiller (ex officio)

IAC Staff Members present: Dorothy L. Ilgen, Rex Van Zant

Item 1 Welcome and Introductions

Ms. David called the meeting to order at 2:05 p.m.

Item 2 Consent Agenda

- A. Meeting Agenda
- B. Board/Committee Charge

Mr. Tanner moved and Mr. Johnson seconded that the meeting agenda and board be approved as presented by consent agenda provision. There was no discussion.
Motion passed unanimously.

Item 3 Cultural Trust Fund Review

- A. Ms. Ilgen gave the board a brief background on the creation of the Cultural Trust Fund.
- B. Ms. Ilgen and Mr. Van Zant provided details to the board on the development of the enabling legislation that created the trust fund and the creation of the Arts Trust license plate as the initial funding mechanism.
- C. Ms. Ilgen explained that the Arts Trust license plate was only intended to be the initial funding source for the Cultural Trust, not the only funding source. She stated that initial efforts to seek direct private

Item 5

Revenue and investment options

- A. Mr. Frick explained what the current status of the Arts Trust license plate sales revenue. He also distributed to the board a summary of legislation regarding state policies and procedures on investments for trusts. He explained that no investment policy can be established for any fund unless it is consistent with the established statutes. He suggested that any modification to the Cultural Trust legislation should reference back to the State Investment Policy by Indiana Code number.
- B. Mr. Frick said that his office could begin making investments of the current Cultural Trust Fund balance once he has the state fund source number. Mr. Van Zant said he would provide that information to Mr. Frick following the meeting. Ms. David entertained a motion to give authorization to the Treasurer's office to begin investment of the current revenue available in the Cultural Trust Fund. Mr. Frick said that minutes from the meeting would be sufficient to officially direct the investment begin.

Mr. Johnson and Mr. Tanner moved and seconded the motion. The motion passed unanimously.

- C. Mr. Johnson suggested the board begin developing a strategy for fundraising once the legislation is changed. Ms. David suggested that would be an excellent focal point of discussion for the next board meeting. She said that perhaps something on the order of an art auction held in cooperation with the Governor's Arts Awards program might be a good start. Mr. Quinn echoed support for such a campaign launch, pointing out that he had some experience in leading such an event.

Item 6

Old business

There was no old business.

Item 7

New business

Ms. David asked the committee to consider setting the date for the next committee meeting, perhaps in September. Mr. Johnson suggested the committee should meet sooner, and recommended a date should be set in either May or June. Ms. David recommended either the second or third Tuesday of May, and the general consensus of the committee was to meet at 2 p.m. Tuesday, May 17, 2005.

Item 8

Adjourn

Mr. Tanner and Mr. Frick moved and seconded motion to adjourn. Meeting was adjourned at 2:50 p.m.

sector contributions to the fund met with resistance because of the built in threshold of \$50 million to trigger the release of interest income. Ms. Ilgen said that efforts have been made over the past four years to modify the legislation to reduce or removed the \$50 million restriction.

Mr. Frick explained that his office will be calculating the interest income the Cultural Trust license plate revenue would have earned had it been invested over the life of the plate fund, and that every effort would be made to add this amount to what currently exists in the plate revenue fund. He further suggested that consideration should be made to actually stating a more realistic target threshold amount in any future efforts to revise the legislation.

Mr. Stifel suggested that \$5 million might be a target amount that outside investors would see as realistically attainable. He further stated that if the revenue generated from the Trust would somehow have an educational benefit, then an entire campaign could easily be built around that for additional fundraising.

Mr. Johnson and Mr. Quinn moved and seconded the recommendation the trust fund threshold amount be lowered to \$5 million and that all preparations needed to modify the legislation be made well in advance of the next legislative session. The motion carried unanimously and Ms. David said the recommendation would be reported to the full Commission at its March meeting.

Mr. Frick stated he did not see any problem with his agency drafting a letter of support for suggested legislative modifications should the IAC determine that such a letter would aid in securing legislative support.

Item 4

Cultural Trust funding update

- A. Mr. Van Zant handed out a report on Arts Trust license plate sales figures for the four years the plate has been on the market.
- B. Mr. Van Zant reported on the current Art Trust fund balance based on BMV plate sales estimates, and then reported the actual amount of the fund reported from the Auditor's Office reflects plate sales revenue from the first two months of this year, and the interest earned from the plate revenue pool fund.
- C. Ms. Ilgen reported on the most recent efforts to modify the Cultural Trust legislation. There was general discussion about strategies to introduce legislation to make the changes needed in the enabling legislation.